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TOP NEWS IN BRIEF

Israel resumes targeted killings

Israel announced it would resume targeted killings and hours later struck a Hamas leader in Gaza.

The change in policy is one of the measures adopted by the government's Security Cabinet early Thursday in response to Tuesday's bus bombing in Jerusalem, which killed 20 people.

The Israel Defense Forces were expected to launch a series of anti-terrorist operations throughout the West Bank and Gaza Strip over the next few days.

The IDF began conducting anti-terror operations in Nablus, Jenin, Tulkarm and Gaza on Wednesday and Thursday. [Page 1]

Palestinians renounce cease-fire

Palestinian terrorist groups abandoned their self-declared cease-fire after Israel killed a Hamas leader.

Hamas official Ismail Abu Shanab was killed in an Israeli missile strike in Gaza City on Thursday that also killed Abu Shanab's two bodyguards.

Afterward, senior Hamas and Islamic Jihad officials said that they were renouncing the cease-fire they declared on June 29, and Hamas vowed to avenge the killing.

Israel's strike followed Tuesday's deadly suicide bombing in Jerusalem, for which Hamas and Islamic Jihad claimed responsibility. [Page 1]

Hamas mobs vow revenge

Tens of thousands of Hamas supporters rallied in Gaza on Thursday, vowing to avenge Israel's killing of a top Hamas official.

Mobs pledged to avenge the killing of Ismail Abu Shanab, warning Israelis to prepare body bags for the dead, Ha'aretz reported. Firing guns into the air, the marchers took to the streets after sunset prayers, some of them wearing military uniforms and black hoods.

Israel gets U.S. loan guarantee

Israel and the United States signed a \$9 billion loan guarantee Wednesday.

The agreement is expected to give Israel's ailing economy a much-needed boost. It will allow Israel to borrow \$9 billion on the world market, with American guarantees as collateral.

However, the United States demanded that funds go to Israel proper, not to the West Bank or Gaza.

Israel resumes targeted strikes, and Hamas becomes first target

By Gil Sedan

JERUSALEM (JTA)—For weeks, Israeli officials had warned that the Palestinian Authority's refusal to act against terrorist groups was setting the stage for a renewal of violence that could destroy the fragile "road map" peace process.

Now, those predictions appear to be coming true.

On Thursday, two days after a suicide bomber killed 20 people aboard a packed Jerusalem bus, Israel responded with a rocket attack that killed a top leader of Hamas and two of his bodyguards.

In response, Hamas and Islamic Jihad — both of which claimed responsibility for the Jerusalem bus bombing — renounced the "cease-fire" they had declared in late June.

Israeli officials noted that the cease-fire had scarcely deserved the name, as 25 Israeli civilians had been killed and 168 wounded — in addition to two soldiers killed and nine wounded — since it was declared.

Hamas' announcement that the killing had ended the "hudna" — the Arabic term for cease-fire, which implies a temporary pause in hostilities for the purposes of rearming — was not considered significant by Israeli sources, many of whom considered any cease-fire over with Tuesday's bus bombing.

"There is no more room for hudna shmudna," an Israel source said. "The attack in Jerusalem changed the name of the game."

After Tuesday's deadly bus bombing, Israel's Security Cabinet voted to resume targeted killings of terrorists, a policy that had been suspended to allow the road map to advance.

The policy was carried out only a few hours later, as missiles fired from an Israeli helicopter gunship in the Gaza Strip killed Hamas official Ismail Abu Shanab.

The Palestinian Authority's failure to crack down on terrorism left Israel no choice but to act, David Baker, a senior official in Israeli Prime Minister Ariel Sharon's office, told JTA.

The targeted killing was Israel's first since its failed attempt on another Hamas leader, Abdel Aziz Rantissi, in June. Hamas vowed to avenge Thursday's strike.

The Palestinian Authority sharply condemned Abu Shanab's killing. P.A. Prime Minister Mahmoud Abbas called it "an ugly crime" and said the assassination would jeopardize any P.A. efforts to fight terrorism.

U.S. officials hardly criticized the attack.

"Israel has a right to defend herself but Israel needs to take into account the effect that actions they take have on the peace process," White House spokesman Scott McClellan told reporters.

"It's important for both parties to get back talking to one another. It's important for the parties to work together to resolve these matters," he said.

U.S. Secretary of State Colin Powell called on P.A. President Yasser Arafat to help Abbas crack down on Palestinian terrorists.

Powell also urged Israel and the Palestinians not to abandon the road map.

"The end of the road map is a cliff that both sides will fall off of," he said, "and we have to make both parties understand that."

Before the strike against Abu Shanab, Abbas had threatened to resign unless Arafat gave him a green light to undertake anti-terror operations.

After Abbas' threat, the executive committee of the Palestine Liberation

MIDEAST FOCUS

Terrorists leave Arafat compound

Twelve terrorists wanted by Israel left Yasser Arafat's Ramallah compound.

The 12 members of the Al-Aksa Brigade, the terrorist militia of the Palestinian Authority president's Fatah movement, fled Arafat's headquarters Thursday after a senior Hamas official in Gaza was killed by Israeli missiles.

P.A. sources offered no official explanation for the move, but there may have been growing concerns that Israeli troops would seize the men following Israel's decision to resume targeting terrorists, Ha'aretz reported.

Egyptians to sue for exodus gold?

A group of Egyptian jurists are considering suing Jews for gold the ancient Israelites carried from Egypt.

Nabil Hilmi, law dean at the University of Al-Zaqziq, told the Egyptian weekly Al-Ahram Al-Arabi that "the statute of limitations cannot possibly apply" in the suit, according to the Middle East Media Research Institute, which translated the news report.

"This is clear theft of a host country's resources and treasure, something that fits the morals and character of the Jews," Hilmi said.

Gamil Yaken, vice president of the Egyptian community in Switzerland, is preparing the research for the lawsuit, which is based in part on biblical narrative.

The report did not say whether Jewish slave labor in Egypt, reported in that same biblical narrative, would be taken into consideration.

More new immigrants from Iraq

Seventeen new immigrants came to Israel on Wednesday night from Iraq.

The group, composed of two families including several children, is the second group of Iraqi immigrants to arrive in Israel since the war.

Organization, which Arafat heads, approved an anti-terror plan.

The plan called for the Palestinian Authority to close down institutions and newspapers of Hamas and Islamic Jihad, close their mosques and schools or fold them into official Palestinian Authority networks. It also called for them to confiscate the groups' arms.

In response, Hamas leaders called for Abbas' resignation Thursday, the Jerusalem Post reported.

Israeli observers said they did not expect the Palestinian Authority to take any drastic moves against terrorist groups for fear of civil war.

As a further response to Tuesday's bombing, the Israel Defense Forces launched a series of anti-terrorist operations throughout the West Bank and Gaza Strip, but officials said no massive invasion of Palestinian areas was planned.

Instead, the officials said, the IDF would undertake pinpoint operations over the next three to four weeks.

Late Wednesday, troops and tanks moved into the marketplace of the West Bank city of Nablus to search for terrorists.

Three Palestinians — a 16-year-old from the nearby village of Tubas who was set to carry out a suicide bombing, and two Hamas bomb-makers — were arrested in the operation.

IDF soldiers also found a bomb laboratory in a Nablus apartment. Army sappers later blew up the apartment, which was in the same building as a bomb laboratory found last year.

Troops demolished the Hebron home of the terrorist who carried out Tuesday's Jerusalem bombing, Israel Radio reported.

Troops also destroyed the West Bank homes of three other terrorists who had carried out attacks on Israelis.

Thursday's strike against Abu Shanab was the first killing at such a senior political level since the assassination two years ago of Abu Ali Mustafa, secretary of the Popular Front for the Liberation of Palestine.

That strike came as a reprisal for the PFLP's murder of Israel's tourism minister, Rehavam Ze'evi, in a Jerusalem hotel.

Israeli sources described Abu Shanab as a member of Hamas' senior leadership. However, sources said there was no proof of a direct link between Abu Shanab and the suicide bombing in Jerusalem on Tuesday. □

Report: IDF prevents attack

JERUSALEM (JTA) — Israeli forces caught four Islamic Jihad militants on their way to perpetrate an attack in Haifa on Tuesday.

The militants, from Jenin, had planned to stage a terrorist attack the same day as the suicide bombing in Jerusalem, for which Islamic Jihad and Hamas claimed responsibility. That attack killed 20 people.

The security report released Thursday said interrogators learned that the attack had been planned by Bashar Shuhana, a Palestinian released from an Israeli prison in March, the Jerusalem Post reported. □

Lebanon tries Canadian for spying

NEW YORK (JTA) — A trial in Lebanon has begun for a Canadian missionary accused of spying for Israel.

Bruce Balfour, 52, who was jailed upon his July 10 arrival in Beirut after being charged in absentia, says his visits to Lebanon are part of a project to replant the country's cedar forests.

The hearing on Wednesday included testimony from an Agriculture Ministry official and the head of an environmental group in southern Lebanon, according to a Reuters news report.

The next hearing, scheduled for Aug. 27, is expected to include additional witness testimony and a trial verdict. Canadian authorities are following the case closely. □



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JEWISH WORLD

Israeli flag offends MIT

An MIT student was told to remove an Israeli flag from his dorm window because it was a hazard.

University administrators last month told Jonathan Goler that hanging the flag "outside a window, in a 'public space,' violates MIT housing rules and regulations," according to MIT's student newspaper, *The Tech*.

Goler, who has refused to take down the flag, said he initially was told to remove it because a fellow resident found it offensive, the paper reported.

The president of Goler's dormitory, who is authorized to decide the matter, said dorm policies "prohibit any object or posting on any doors or corridors inside the building as well as on the exterior."

Arabs, Israelis together in Japan

A Japanese soccer program is bringing together Israeli, Palestinian and Japanese children.

The week-long program has brought 22 Israeli and Palestinian children to Japan for several days of athletic, cultural and camping activities.

The trip was organized by the First Japanese Israeli Palestinian Children's Friendship Soccer Match 2003, which believes that grassroots efforts are necessary to bring peace to the Middle East.

Polish artist sells Nazi trinkets

A Polish artist in the Netherlands is selling "Auschwitz souvenirs" to remind people to fight discrimination.

Agata Siwek, 30, who grew up near the infamous death camp, says she is selling items like crematorium refrigerator magnets, Auschwitz baseball caps and "Arbeit Mach Frei" key rings and T-shirts to remind people of the Holocaust and the need to combat discrimination and war, *Reuters* reported.

Holocaust survivor Salomon Zanten, 81, said seeing such items could trigger painful memories. "It's a bad idea," he said. "How far does one go?"

Jews for guns in America

A Jewish pro-gun group is among those pushing for the Supreme Court to hear a case on assault weapons.

Jews for the Preservation of Firearms Ownership joined the Pink Pistols, a gay and lesbian gun group, and the Second Amendment Sisters, a pro-gun women's group, in challenging California's assault-weapons ban.

The groups, along with the National Rifle Association, want the Supreme Court to hear an appeal filed this summer by a group of rugby players and their friends challenging the California law, which was upheld by the 9th U.S. Circuit Court of Appeals, *The Associated Press* reported.

BEHIND THE HEADLINES

Bombing shakes faith in 'road map,' but many U.S. Jews see no option

By Matthew E. Berger

WASHINGTON (JTA) — The latest suicide bombing has left some American Jewish leaders wondering how long they can support the "road map" peace plan.

But the conclusion many are reaching is that there's no viable alternative.

Tuesday's suicide bus bombing in Jerusalem, which killed 20 people and wounded more than 100, awakened many in the Jewish community from a dormant summer.

With Palestinian terrorist groups declaring a cease-fire and Israel making confidence-building gestures, pro-Israel activists skeptical about the feasibility of the road map had been keeping their voices low.

Many were following the suggestion of President Bush's national security adviser, Condoleezza Rice, who said the White House should be trusted because of its positive track record for Israel.

But Tuesday's attack enraged the American Jewish community, and pressure is beginning to mount on the White House to do more.

The calls are not for a new game plan but for Bush to stick to the road map script, pressing the Palestinians for serious steps to end violence before calling on Israel to make its promised concessions.

Malcolm Hoenlein, executive vice chairman of the Conference of Presidents of Major American Jewish Organizations, said the Bush administration needs to be more forceful in making the Palestinian Authority dismantle terrorist groups immediately.

"The administration has to get its message out," Hoenlein said. "There have to be serious consequences."

He suggested withholding aid or reconsidering U.S. support for a Palestinian state.

Hoenlein and others are concerned that P.A. Prime Minister Mahmoud Abbas shows either no ability or no interest in dismantling groups like Hamas and Islamic Jihad. Sources said that, privately, the White House shares those concerns.

In a press release, the Conference of Presidents said that Abbas should either "declare war against Palestinian terrorist groups" or "declare the road map and the prospect for peace to be dead."

The Bush administration hammered home the message to the Palestinians on Wednesday, calling for Abbas to take more action against the terrorist groups.

In an obvious sign of the administration's frustration, White House spokesman Scott McClellan said Israel had a right to defend itself against terrorist attacks, a marked contrast to the frequent call for Israeli restraint.

Leaders of several Jewish groups said that they still believed the road map currently is the only game in town. But some have been worried that the administration's goals appeared to be changing in recent weeks.

Sensing an opportunity to make progress on the peace plan, the White House moved away from the road map's sequencing of steps, appearing to focus more on fostering diplomatic momentum than on performance.

That led to pressure on Israel to redraw the route of its West Bank security fence and release political prisoners — two moves that the Palestinians demanded that are not in the road map.

Jewish groups worried that the Bush administration was not saying enough about the Palestinians' obligation to dismantle terrorist groups.

When Abbas met President Bush last month in Washington, the White House did not ask Abbas to take on the terrorist groups. It only asked him to close smuggling tunnels into the Gaza Strip and Kassam rocket factories, sources said.

In any case, Abbas has done neither, Israel contends.

Many Jews also are worried that the terrorist organizations clearly appear to be using their cease-fire to rearm and plan new attacks, not to weigh the virtues of peace.

One Jewish official said Tuesday's attack could have a grisly positive side because now "the farce is over." The official said, "The message today is: How many lives are we going to give this new Palestinian leadership?" □

AROUND THE JEWISH WORLD

**St. Petersburg Jews jolted
by stiff sentence for local leader**

By Lev Krichevsky

MOSCOW (JTA)— The stiff prison sentence handed down to Russian businessman and Jewish leader Mikhail Mirilashvili is sending shock waves through Russia's second-largest Jewish community.

On Aug. 1, the Leningrad District Military Court in St. Petersburg sentenced the local business magnate and Jewish philanthropist to 12 years in a high-security prison.

Mirilashvili, 43, has spent the last 30 months in jail on charges of creating a criminal gang, kidnapping and attempted murder.

The verdict, handed down the same day as the sentencing, cleared the businessman of the attempted murder charge but found him guilty of trespassing, kidnapping and detaining persons against their will.

The court acquitted Mirilashvili's six suspected accomplices after prosecutors failed to establish their role in the murder of two alleged abductors of Mirilashvili's father, Mikhail Mirilashvili, Sr.

After the sentencing, St. Petersburg's chief rabbi, Menachem Mendel Pevzner, told JTA that Mirilashvili's "family, friends and the whole Jewish community are devastated."

Some observers said the long jail term was disproportionate to the gravity of the crimes.

The episode that sparked Mirilashvili's arrest followed the August 2000 abduction of his father, also a businessman, who was released two days after his kidnapping in central St. Petersburg.

The identities of the abductors were not established. But months later, when two ethnic Georgians were gunned down in broad daylight outside the Astoria, Mirilashvili's posh St. Petersburg hotel, police quickly pointed the finger at the younger Mirilashvili.

"I found this quite strange that for the people who had allegedly organized the crime, the court hasn't found enough proof of guilt, and for him," — meaning Mirilashvili — "it has," Pevzner said.

Meanwhile, Mirilashvili insists he is innocent.

Jewish leaders following the case said the stiff punishment came as a complete surprise.

"I thought this was a bad joke," said Eugenia Lvova, executive director of the local Russian Jewish Congress chapter.

Mirilashvili has served as president of the RJC's St. Petersburg branch since the group's founding in 1996. He retained his post after he was imprisoned in January of 2001.

The group says that despite his imprisonment, Mirilashvili still remains the largest local supporter of the Jewish community.

Last year, the RJC raised \$350,000 in St. Petersburg, according to the group's 2002 annual report. RJC President Yevgeny Satanovsky said most of the funds were from Mirilashvili.

"Despite his imprisonment, he remains one of the most affluent people in St. Petersburg," Satanovsky said.

A native of the former Soviet republic of Georgia, Mirilashvili is said to have a wide range of business interests in St. Petersburg, including casinos, real estate, retail, entertainment and hotel businesses.

The businessman, who has never been shy about his Jewish background, holds Russian and Israeli citizenship and used to

divide his time between St. Petersburg and Tel Aviv.

Mirilashvili spokesman Dmitry Miropolsky said in an interview that the guilty verdict and the tough sentence proved that the "target of this hunt is specifically Mikhail Mirilashvili and no one else."

Alexander Afanasyev, Mirilashvili's defense lawyer, called the sentence "enormously unjust, enormously severe."

Mirilashvili's defense filed a 37-page appeal to a higher court on Aug. 11.

"I hope the high court will reconsider" the verdict, Pevzner said.

For their part, prosecutors asked that Mirilashvili get a 15-year sentence.

Jewish leaders in St. Petersburg have said repeatedly that they didn't believe anti-Semitism had a role in the guilty verdict or the sentence.

But Mirilashvili's supporters — including Jewish leaders — believe the case might have been the result of competition inside the business community or the result of a payoff or pressure from public figures who wanted to get rid of Mirilashvili.

Mirilashvili's lawyers said the case also highlighted the high level of corruption within the city's law enforcement system.

According to Miropolsky, Mirilashvili's final statement to the court on July 25 alleged that the city's deputy prosecutor, Boris Salmaksov, was demanding a bribe of \$1 million to close the case. Salmaksov categorically denied the accusation.

A week before his sentencing, Mirilashvili became embroiled in a public argument with another powerful Russian Jew, exiled tycoon Boris Berezovsky.

In the mid-1990s, Berezovsky unsuccessfully tried to take over a local television station Mirilashvili ran.

In an open letter published July 24 in the Moscow newspaper *Kommersant Daily*, Berezovsky accused Mirilashvili of being involved in an underhanded deal in the early 1990's to privatize a St. Petersburg-based alcohol producer.

Berezovsky alleged that Mirilashvili was helped in the deal by President Vladimir Putin, then head of the St. Petersburg Administration's External Affairs Committee. Berezovsky called Mirilashvili a "criminal authority."

Mirilashvili responded with an open letter in the daily *Izvestiya* a few days later accusing Berezovsky of lying. He denied any business dealings with Putin, saying he had never met the future president when he worked in St. Petersburg.

He also denied accusations by Berezovsky and others that he has ties to the criminal underworld.

In the same letter, Mirilashvili accused Berezovsky of converting to Orthodox Christianity after Berezovsky failed in an alleged attempt to become a leader of the Russian Jewish community.

Mirilashvili and his lawyer have asked Jewish leaders not to intervene in the case while his appeal is pending, Lvova said.

That decision stems from the understanding that if the Jewish leadership comes out in his defense, the case would acquire a "political dimension," Lvova said.

In his public letter, Mirilashvili wrote, "The norms of the Jewish faith in which I was raised teach: It is not enough when you know yourself that you are honest and clean. You ought to make it clear so that those around you know that you are a decent person."

"Therefore I state it for all to hear that I am not involved in the criminal world," he wrote. □